

No. 11965.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

LANE-WELLS COMPANY, a corporation,

Appellant,

vs.

M. O. JOHNSTON OIL FIELD SERVICE CORPORATION,
a corporation,

Appellee.

M. O. JOHNSTON OIL FIELD SERVICE CORPORATION,
a corporation,

Cross-Appellant,

vs.

LANE-WELLS COMPANY, a corporation,

Cross-Appellee.

REPLY BRIEF OF DEFENDANT-APPELLANT
(LANE-WELLS COMPANY).

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REPLY BRIEF OF DEFENDANT-APPELLANT (LANE-WELLS COMPANY).

Introduction.

This brief is the reply of Defendant-Appellant, Lane-Wells Company,* to the Answering Brief for Plaintiff-Appellee, M. O. Johnston Oil Field Service Corporation.*

*Defendant-Appellant, Lane-Wells Company, is hereinafter called "Defendant"; and Plaintiff-Appellee, M. O. Johnston Oil Field Service Corporation, is hereinafter called "Plaintiff." All italics are ours.

This brief points out our convictions :

(a) That the contentions of Plaintiff, presented in an attempt to answer the evidence, law, and argument set forth in our Opening Brief for Defendant do not answer such evidence, argument, or the law cited in support thereof;

(b) That, if there are any findings or conclusions of the District Court apparently inconsistent with the findings and conclusions made by the District Court in favor of the Defendant urged in its opening brief and the evidence and the law in support thereof, those cited in such opening brief should prevail; and

(c) That such contentions of Plaintiff as are presented in its answering brief are not applicable to the situation here presented.

ARGUMENT.

A. PLAINTIFF'S ARGUMENT (PAGE 6 OF ITS ANSWERING BRIEF) That a Court May, if Necessary to Maintain the Validity of the Patent, Narrowly Construe the Claims and Thus Find Non-Infringement, IS WHOLLY INAPPLICABLE HERE.

Plaintiff, beginning at page 6 of its answering brief, labors at length this contention. That it is inapplicable is shown by the gist of the single citation from Walker and the bald statement of Plaintiff's contention which follow.

The gist of the quotation is:

“for narrow construction may be as necessary to establish the validity of a patent as a broad construction is to lay the foundation for proof of infringement” (p. 7, Answering Brief for Plaintiff-Appellee).

No “narrow construction” was “necessary to establish the validity” of this Lane patent, for three reasons:

- (1) No Prior Patent Disclosed a Combined Gun Perforator, Formation Tester, and Packer, and None Was Known Prior to the Lane Patent.¹

¹“Q. Never before the applications for the patents in suit, the Lane and Spencer patents, did you ever see, hear of, or know of any use, invention by others, or any disclosure in a printed publication or a patent of a combined gun perforator, packer and formation tester in a unitary tool that could be run into and withdrawn from a well as a unit; that is true, isn't it? A. As a unit; only separately.

Q. With that qualification, you agree that that is true? A. That is true up to the time of that patent.

Q. Of the patents in suit? A. Of the patents in suit.” [M. O. Johnston Tr. 424-25.]

(2) Plaintiff's Expert With Full Knowledge of the Lane Patent Attempted to Provide the Lane Patented Combination From Old Patents by Alterations Suggested by None of Them and Provided an Impractical Tool.

Plaintiff's expert, O'Neill, attempted to combine a gun perforator from an old patent [Pltf. Ex. 17-G] with an old formation tester from an old patent [Pltf. Ex. 17-S] and ended with the result shown in Plaintiff's Exhibit 22, testifying that this attempt required him to:

(a) Drill through the cap at the bottom of the anchor of the tester of Plaintiff's Exhibit 17-S;

(b) Drill a hole upwardly through the center of the stem of the tester of Plaintiff's Exhibit 17-S;

(c) Place a packing at each end of the hole drilled through the stem of the tester of Plaintiff's Exhibit 17-S;

(d) Pass an electrical cable out through the side of the collar at the top of the tester of Plaintiff's Exhibit 17-S; and

(e) Use, instead of a conical packer which he used in Plaintiff's Exhibit 22, a different style of packer. [Tr. 315-317.]

Neither of the old patents Plaintiff's Exhibit 17-G [Tr. 584] or Plaintiff's Exhibit 17-S [Tr. 617] disclosed or suggested any of these numerous changes.

Yet with all of the hindsight provided by knowledge of the Lane Patent to Plaintiff's expert, O'Neill, in making these numerous alterations [Pltf. Exs. 30-B-1 to 5], he did not provide a tool which was practical, as established by the testimony of Plaintiff's president, who admitted that to thread an electrical conductor through the drill pipe or tubing "would not be practical to do." [Tr. 180, 196, 197; Cross-Appellee's Answering Brief, footnotes 11 and 12.]

(3) No Prior Patent Relied Upon by Plaintiff to Invalidate the Lane Patent Is Any Closer or More Pertinent to the Lane Patent Than Those Prior Patents Considered and Rejected by the Patent Office in Allowing the Lane Patent in Suit and Its Parent.

Attached as Exhibit A to Cross-Appellee's Answering Brief is a chart of the prior art which was cited and considered by the Patent Office in the prosecution of the application for the parent of the Lane patent in suit, *i. e.*, No. 2,029,490, and the application for the patent in suit. Also included upon the chart are all of the prior patents relied upon by the Plaintiff to invalidate the claims of the Lane patent in issue.

This chart Exhibit A is a part of the chart Defendant's Exhibit L in evidence [Tr. 474], and graphically and dramatically demonstrates that there are disclosed in the prior patents cited by the Plaintiff as invalidating the Lane patent no patents which disclose the combination of a gun perforator, packer, and formation tester and no patents which disclose more nearly than the file wrapper references considered and rejected by the Patent Office the combination defined by the claims of the Lane patent in issue.

It is apparent that for the foregoing three reasons no "narrow construction" was "necessary to establish the validity" of the Lane patent, and that Plaintiff's argument and single authority cited in the section beginning at page 6 to contrary effect is wholly irrelevant.

Likewise irrelevant is the bald statement of the Plaintiff in the same section of its brief:

"Undoubtedly, the District Court attempted to sustain the validity of the patent and could do so only by narrowing the claims to the precise apparatus disclosed in the specification thereof . . ."

For the three reasons and the evidence establishing them, hereinbefore recited, it is clear that no limitation of the claims of the Lane patent was necessary to sustain their validity.

This section of the Answering Brief for Plaintiff-Appellee, commencing at page 6, is therefore a make-weight and deserving of no consideration.

B. PLAINTIFF'S ARGUMENT (PAGE 6 OF ITS ANSWERING BRIEF TO THE END THERE-OF) That the Claims of the Lane Patent Are Not Infringed, Because the Accused Device Does Not Contain Substantially the Same Elements, Operating in Substantially the Same Way, to Accomplish Substantially the Same Result, IS WHOLLY INAPPLICABLE HERE.

Plaintiff has cited excerpts from a very few decisions of this Circuit to support its contention. If the contention be accepted, it is not applicable here, because the accused device has substantially the same elements, operating in substantially the same way, to accomplish substantially the same result.

(1) The Accused Device Has Substantially the Same Elements as the Claims of the Lane Patent in Issue.

(a) The presence of the elements defined by the Lane patent claims in issue in the accused device is admitted by the Plaintiff in its Complaint.²

²"Paragraph VII of the Complaint recites:

"That in the event that claims numbered 7, 8, 9, 11, 12, 13 and 14 of Letters Patent No. 2,029,491 . . . are valid and interpreted and applied literally as worded, that the same can be read upon the Johnston Perforator and Formation Tester manufactured, operated and used by this plaintiff and would be infringed thereby.' [Tr. 5.]" (Opening Brief for Defendant-Appellant, p. 10.)

(b) The presence of the elements defined by the Lane patent claims in issue in the accused device was admitted by Plaintiff's counsel at the trial.³

(c) The presence of the elements of the Lane patent claims in issue was tacitly admitted by the decision of the District Court.

This follows from the fact that it was found necessary by the District Court to limit the clear language obviously understood by the Plaintiff and Plaintiff's counsel and Plaintiff's expert to less than its ordinary import and to the *precise* devices illustrated in the drawing of the Lane patent in order to avoid a holding of infringement.

(d) The presence of the elements of the claims of the Lane patent in issue in the accused device is established by the evidence.

Set forth hereinafter are two columns, the one on the left representing the elements of Claim 11 of the Lane patent in issue, and the one on the right representing excerpts from Defendant's Exhibit AI-1, having reference to Defendant's Exhibits AI-2 and AI-3 [originally mis-numbered and erroneously referred to in the Findings of Fact and Conclusions of Law as Defendant's Exhibits AH-1, AH-2, and AH-3, respectively].

³"The Court: If they are as broad as claimed and are valid in that breadth, to that extent, you freely concede there has been infringement.

Mr. Mellin: I think the court just put, in other words, exactly what I pleaded.

Mr. Foster: That applies to both patents, Mr. Mellin?

Mr. Mellin: Of course." [Tr. 98.]

Column 1.

Column 2.

Claim 11 of Lane patent
No. 2,029,491:

The accused device described and illustrated in Defendant's Exhibits AI-1, AI-2, and AI-3:

A formation tester comprising: [Pltf. Ex. 1, Tr. 483, col. 1, line 36]

"In general, the formation tester, . . ." [Deft. Ex. AI-1, p. 1, lines 2-3]

a gun unit adapted to be lowered into a well bore [Pltf. Ex. 1, Tr. 483, col. 1, lines 36-37]

"Zone VII designates the gun perforator" [Deft. Ex. AI-1, p. 2, lines 11-12]

arrange to fire a projectile through a well casing into a surrounding formation; [Pltf. Ex. 1, Tr. 483, col. 1, line 37, to col. 2, lines 1-2]

"The bullets 108 thus perforate the well casing in the manner shown at 170 in Fig. 2b by way of illustration" [Deft. Ex. AI-1, p. 17, lines 18-19]

a sample receiving means having an inlet in proximity to said unit; [Pltf. Ex. 1, Tr. 483, col. 2, lines 2-3]

"The casing fluid and production fluid being sampled may then flow past the ball valve 8, through the ducts 44, the passages 48 and 49, and thence upwardly through the top coupling or sub 1 into the tubing string" [Deft. Ex. AI-1, p. 19, lines 20-23]

Column 1.

and packer means for minimizing the introduction of fluids into said sample receiving means from sources other than the avenue provided by said projectile [Pltf. Ex. 1, Tr. 483, col. 2, lines 3-7]

Column 2.

“A casing packer operable to provide a seal between the formation tester and the well casing, thereby preventing fluid in the annulus between the tubing string and casing and above the packer from entering the tubing string” [Def’t. Ex. AI-1, p. 2, lines 25-28]

For the four reasons hereinbefore set forth it is submitted that the accused device has substantially the same elements as the claims of the Lane patent in issue.

(2) The Accused Device Has Substantially the Same Mode of Operation as the Operation Defined in the Claims of the Lane Patent in Issue.

This is established by an amended finding of fact specially made after the original Findings of Fact and Conclusions of Law were made by the District Court:

“(1) The Findings of Fact and Conclusions of Law heretofore made are amended as follows:

“(a) After Finding of Fact No. 19 add:

“—The following steps in the performance and use of the tool of the Lane patent in suit, No. 2,029,491, is described in such Lane patent, are identical with the steps in the performance and use of the Johnston accused tool as exemplified by Defendant’s Exhibits AH-1, AH-2, and AH-3:

“1. The elements are assembled into a combined tool including a gun perforator, packer, and tester.

“2. The combined tool is lowered in the well to the point where it is desired to perforate.

“3. The gun is fired to perforate the casing.

“4. Several guns are fired successively.

“5. The drill pipe is rotated one turn to the left to unlatch the packer and set the slips.

“6. The weight of the drill pipe is lowered on the slips to set the packer.

“7. The drill pipe or tubing is open to the formation below the set packer.

“8. The entrance valve into the tool is left open until a sufficient quantity of the test liquids is secured in the tool.” [Tr. 78.]

This finding was fully established by the testimony of Plaintiff's expert O'Neill, and there is no contrary evidence in the record. Mr. O'Neill's testimony appears at Tr. 266, 320, 321, 267, 321, 263, 325, 227, 228, and 326.

Hence there is fully established by the finding of the Court and the evidence that the accused device has substantially the same mode of operation as the operation defined in the claims of the Lane patent in issue.

(3) The Accused Device Was Designed to Accomplish and Does Accomplish Substantially the Same Result as That Defined by the Claims of the Patent in Suit.

This appears from the admissions of Plaintiff's president, M. O. Johnston:

“Q. One of the objects of the Lane patent is stated to be: to provide a formation tester which fires a projectile or several projectiles through the well casing and thereafter receives the sample through the perforation so made. [Lane patent, Plaintiff's

Exhibit 1, Tr. 481, column 1, lines 11-15.] That was one of your objects in providing the combined tool, the subject of this law suit? A. Yes, sir.

Q. And that object was accomplished by the combined tool? A. Yes sir.

Q. Another provision of the Lane patent is stated to be: to provide a gun-type formation tester which may be run in on standard tubing or the like and utilizes other conventional well equipment for its operation. [Lane patent, Plaintiff's Exhibit 1, Tr. 481, column 1, lines 28-31.] That was one of your objects in providing the combined tool of your company? A. That was the object of providing the gun.

Q. And that object was accomplished by the combined tool? A. Yes, sir.

Q. Another object of the Lane patent was: to provide a formation tester of this class in which the damage to the well casing consists merely in one or more relatively small round perforations that may be readily cemented up if improperly located or otherwise undesirable, thereby providing a formation tester which does not interfere with subsequent drilling or other operations in the well bore. [Lane patent, Plaintiff's Exhibit 1, Tr. 481, column 1, lines 32-39.] That also was a purpose of your provision, the plaintiff's provision of this combined tool? A. Yes, sir.

Q. And that purpose was accomplished by them? A. Yes, sir." [Tr. 398.]

It is clear from the record, therefore, that the accused device was designed to accomplish and does accomplish substantially the same result as that defined by the claims of the patent in suit.

It is clear, therefore, that Plaintiff's argument that the Court may, *if necessary to maintain the validity of the patent*, narrowly construe the claims is wholly inapplicable to the situation here; and that Plaintiff's argument that the claims of the Lane patent in issue are not infringed is not applicable also because the accused device contains substantially the same elements, operating in substantially the same way, to accomplish substantially the same result as the elements defined by the claims of the Lane patent in issue.

The record and Findings of Fact and Conclusions of Law, therefore, require, we respectfully submit, that the judgment of the lower Court should be reversed as to Paragraph 7 [Tr. 75], Paragraph 9, in so far as it relates to the Lane patent No. 2,029,491 [Tr. 76], and Paragraph 10 [Tr. 77]; that Findings of Fact and Conclusions of Law inconsistent with the striking and modifying of said judgment be likewise stricken or reversed; and that claims 7 to 9, inclusive, and 11 to 14, inclusive, of the Lane patent No. 2,029,491 be held valid and infringed by the manufacture and use of devices exemplified by Defendant's Exhibits AH-1, AH-2, and AH-3 (corrected as AI-1, AI-2, and AI-3).

Dated: At Los Angeles, California, this 15th day of April, 1949.

Respectfully submitted,

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